

1 UNITED STATES BANKRUPTCY COURT
2 NORTHERN DISTRICT OF CALIFORNIA
3 SAN FRANCISCO DIVISION

4 In re:

Bankruptcy Case No. 19-30088 (DM)

5 PG&E CORPORATION,

Chapter 11

6 - and -

(Lead Case)

7 PACIFIC GAS AND ELECTRIC
8 COMPANY,

(Jointly Administered)

9 Debtors.

- 10 ☐ Affects PG&E Corporation
11 ☐ Affects Pacific Gas and Electric
Company
12 ☒ Affects both Debtors

13 * All papers shall be filed in the Lead
14 Case No. 19-30088 (DM).

**FIRST INTERIM APPLICATION OF AXIOM
ADVISORS, AS GOVERNMENT AFFAIRS
CONSULTANT FOR THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS, FOR ALLOWANCE AND
PAYMENT OF COMPENSATION AND
REIMBURSEMENT OF EXPENSES FOR
THE PERIOD MARCH 15, 2019 THROUGH
JANUARY 31, 2020**

15 **Objection Deadline: April 3, 2019**
16 4:00 p.m. (Pacific Time)

17 **COVER SHEET TO FIRST INTERIM APPLICATION OF AXIOM ADVISORS AS**
18 **GOVERNMENT AFFAIRS CONSULTANT FOR THE OFFICIAL COMMITTEE OF**
19 **UNSECURED CREDITORS, FOR COMPENSATION AND REIMBURSEMENT OF**
20 **EXPENSES FOR THE PERIOD FROM MARCH 15, 2019 THROUGH AND**
21 **INCLUDING JANUARY 31, 2020**

Name of Applicant:	Axiom Advisors	
Applicant's Role in Case:	Government Affairs Consultant for the Official Committee of Unsecured Creditors	
Date Order of Employment Signed:	May 9, 2019 [Docket No. 1978]	
	Beginning of Period	End of Period
Time period covered by this Fee Application:	March 15, 2019	January 31, 2020
Time period(s) covered by prior Fee Applications:	N/A	N/A

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Name of Applicant:	Axiom Advisors
Total amounts awarded in all prior Fee Applications:	N/A
Total fees and expenses applied for in this Fee Application and in all prior Fee Applications:	\$275,387.91
Total fees applied for in this Fee Application:	\$275,000.00
Total actual professional hours covered by this Fee Application:	809.0
Reimbursable expenses sought in this Fee Application:	\$387.91

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Professionals

Axiom professionals rendering services during the Fee Period were:

<u>Professional</u>	<u>Position</u>
Cassie Gilson	Partner
Jason Kinney	Partner
Kevin Schmidt	Partner
Silvio Ferrari	Associate
Debbie Edgar	Legislative Aide
Vanessa Sonnier	Legislative Aide

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Summary of Hours by Professional

<u>Professional</u>	<u>Title</u>	<u>Total</u>
Cassie Gilson	Partner	360.0
Jason Kinney	Partner	27.0
Kevin Schmidt	Partner	127.5
Silvio Ferrari	Associate	243.0
Debbie Edgar	Legislative Aide	7.0
Vanessa Sonnier	Legislative Aide	44.5
Total		809.0

Summary of Fees and Expenses

Summary of Monthly Fee Statements						
<u>Filing Date,</u> <u>Docket Number</u>	<u>Compensation</u> <u>Period</u>	<u>Requested</u> <u>Fees</u>	<u>Requested</u> <u>Expenses</u>	<u>Fees</u> <u>Approved/</u> <u>Pending</u> <u>Approval</u>	<u>Expenses</u> <u>Approved/</u> <u>Pending</u> <u>Approval</u>	<u>Holdback</u> <u>Fees</u> <u>Requested</u>
9/26/19 [4014]	3/15/19- 7/31/19	\$125,000.00	\$242.00	\$100,000.00	\$242.00	\$25,000.00
11/20/19 [4818]	8/1/19- 10/31/19	\$75,000.00	\$0	\$60,000.00	\$0	\$15,000.00
2/26/20 [5914]	11/1/19- 1/31/20	\$75,000.00	\$145.91	\$60,000.00	\$145.91	\$15,000.00
Total		\$275,000.00	\$387.91	\$220,000.00	\$387.91	\$55,000.00

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Summary of Expenses

Category	Amount
Transportation	\$242.00
Meals	\$145.91
Total Expenses	\$387.91

1 **FIRST INTERIM APPLICATION OF AXIOM ADVISORS AS GOVERNMENT**
2 **AFFAIRS CONSULTANT FOR THE OFFICIAL COMMITTEE OF UNSECURED**
3 **CREDITORS, FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**
4 **FOR THE PERIOD FROM MARCH 15, 2019 THROUGH AND INCLUDING**
5 **JANUARY 31, 2020**

6 Axiom Advisors (“Axiom”), the government affairs consultant for the Official Committee
7 of Unsecured Creditors (the “Committee”), hereby submits its First Interim Fee Application (the
8 “Interim Fee Application”) for allowance of compensation for professional services provided to
9 the Committee in the amount of \$275,000.00 and reimbursement of actual and necessary expenses
10 in the amount of \$387.91 that Axiom incurred for the period from March 15, 2019 through January
11 31, 2020 (the “Fee Period”), and payment of such amounts not previously paid pursuant to the
12 *Order Pursuant to 11 U.S.C. §§ 331 and 105(a) and Fed. R. Bankr. P. 2016 for Authority to*
13 *Establish Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*
14 [Docket No. 701] (“Interim Compensation Order”). In support of this Interim Fee Application,
15 Axiom respectfully states as follows:

16 **Jurisdiction**

17 1. This Court has jurisdiction over this Fee Application pursuant to 28 U.S.C. §§ 157
18 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue
19 of this proceeding and this Application in this District is proper pursuant to 28 U.S.C. §§ 1408 and
20 1409.

21 **Background**

22 2. On January 29, 2019 (the “Petition Date”), PG&E Corporation and Pacific Gas and
23 Electric Company (collectively, the “Debtors”) filed with the United States Bankruptcy Court for
24 the Northern District of California (this “Court”) their voluntary petitions for relief under chapter
25 11 of the Bankruptcy Code.
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1 3. The Debtors continue to operate their businesses and manage their assets as debtors
2 in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner
3 has been appointed in the chapter 11 cases.

4 4. On February 12, 2019, the Office of the United States Trustee for Region 3 (the
5 “US Trustee”) filed a *Notice of Appointment of the Official Committee of Unsecured Creditors*
6 [Docket No. 409] pursuant to 11 U.S.C. § 1102(a). At the Formation Meeting, the Committee
7 selected Milbank LLP (“Milbank” or “Counsel”) as its counsel and FTI Consulting, Inc. (“FTI”) as its financial advisor. On February 15, 2019, the Committee selected Centerview Partners, LLC
8 as its investment banker. On March 15, 2019, the Committee selected Axiom as its government
9 affairs consultant.
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11 5. On May 10, 2019, the Court entered the *Order Authorizing the Retention and*
12 *Employment of Axiom Advisors as the Committee’s Government Affairs Consultant, Effective as*
13 *of March 15, 2019* [Docket No. 1978] (the “Retention Order”).
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15 **Summary of Services Rendered During the Fee Period**
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17 6. One of the major milestones in the Debtors’ cases was the passage of A.B. 1054,
18 which establishes a \$21 billion wildfire fund and imposes a new fire safety regime. Passed during
19 the Fee Period, the legislation will have a profound effect on the Debtors’ prospects for
20 reorganization. As such, during the Fee Period, Axiom expended significant time and resources
21 meeting with legislators, staff, and stakeholders to discuss various wildfire issues including A.B.
22 1054. Axiom also analyzed various bills and amendments introduced in the California State
23 Legislature and met with numerous parties in an attempt to understand and secure the passage of
24 the wildfire legislation. In the course of this work for the Committee, Axiom attended numerous
25 hearings, including hearings by: (i) the Senate Natural Resources Committee; (ii) the Assembly
26 Utilities and Energy Committee; (iii) the Assembly Insurance Committee; (iv) Assembly
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1 Appropriations Committee; (v) the Senate Wildfire Select Committee, and (vi) the Commission
2 on Catastrophic Wildfire Cost and Recovery. Further, during the Fee Period, Axiom met
3 periodically with the Governor's office to discuss wildfire policy issues and these chapter 11 cases.
4 Each of these activities developed Axiom's understanding of legislative and stakeholder dynamics
5 for presentation to the Committee.
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7 7. Axiom also participated in regular planning and strategy discussions internally and
8 with the Committee's other advisors to, among other things, explain the workings of the California
9 legislative process and key players to the Committee and the Committee's other advisors. In that
10 effort, Axiom tracked the introduction and progress of various bills and amendments in the
11 California State Legislature. These discussions have included email correspondence, telephone
12 calls, and in-person meetings. Axiom participated in a weekly conference call with the Committee
13 during which Axiom provided legislative updates and discussed recent events occurring in
14 Sacramento with respect to the Debtors and wildfire legislation. Likewise, Axiom participated in
15 periodic Public Affairs Subcommittee calls, with designated members of the Committee, to review
16 specific issues in greater detail.
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18 8. Axiom submits that the government affairs consulting services it rendered to the
19 Committee in connection with the chapter 11 cases during the Fee Period, all at the direction of
20 the Committee or its counsel, were necessary and beneficial to the Committee and the constituency
21 represented by the Committee. These services were complex, performed at a high level and were
22 often subject to extreme time constraints. These services were also necessary to address a
23 multitude of critical issues both unique to these chapter 11 cases and faced by unsecured creditor
24 committees in cases of this size, nature and complexity.
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26 9. Pursuant to the Interim Compensation Order, Axiom is entitled to be paid 80% of
27 its fees and 100% of its expenses following expiration of any objection period with respect to its
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1 monthly fee statements. Axiom has previously filed three combined monthly fee statements
2 (collectively, the “Fee Statements”) [Docket Nos. 4014, 4818 and 5914].¹ To date, Axiom has
3 been paid \$160,242 by the Debtors for services rendered and expenses incurred, with \$55,000
4 being retained pursuant to the Interim Compensation Order (the “Holdback”). Copies of Axiom’s
5 contemporaneous time records are attached to Axiom’s Fee Statements. Axiom is filing this
6 Application to, in part, seek payment of the Holdback.

8 **Summary of Expenses Incurred During the Fee Period**

9 10. In accordance with the Engagement Letter and Retention Order, and consistent with
10 Axiom’s policy with respect to its other clients, Axiom is seeking reimbursement for charges and
11 disbursements incurred as out-of-pocket expenses in the rendition of necessary services to the
12 Committee.

13 11. The expenses for which Axiom requests reimbursement for the Fee Period are
14 actual and necessary direct, non-overhead costs incurred in the course of rendering services to the
15 Committee.

16 12. These chapter 11 cases required Axiom’s professionals to travel to and from San
17 Francisco on the Committee’s behalf. Consistent with Axiom’s policy, Axiom professionals who
18 incurred travel-related costs, including ground transportation charges, were reimbursed for their
19 reasonable costs.

20 13. Axiom has made every appropriate effort to minimize its expenses in these chapter
21 11 cases. All of the fees and expenses for which allowance is requested by Axiom in this Fee
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26 ¹ The objection deadlines for Axiom’s *First Combined Monthly Fee Statement* and *Second Combined*
27 *Monthly Fee Statement* expired without objection on October 17, 2019, and December 12, 2019, respectively, and a
28 *Certificate of No Objection* has been filed with respect to each [Docket Nos. 4793 and 5107, respectively]. The
objection deadline with respect to Axiom’s *Third Combined Monthly Fee Statement* (March 26, 2020 at 4:00 p.m.
(PT)) has not yet passed, thus, the amounts requested therein have not yet been allowed. To date, no objections have
been filed with respect to this fee statement either.

1 Application are reasonable and necessary and were incurred in connection with services rendered
2 during the Fee Period. In seeking reimbursement of an expenditure, Axiom is requesting
3 reimbursement “at cost” and does not make a profit on such expenditure.

4 14. Descriptions of each expenses incurred during the Fee Period are attached to the
5 Fee Statements. Additionally, a chart summarizing the expenses for the Fee Period is included at
6 the front of this Application.
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8 **Axiom’s Requested Compensation and Reimbursement Should Be Allowed**

9 15. Section 330 of the Bankruptcy Code provides that, subject to section 328 of the
10 Bankruptcy Code, a court may award a professional employed under section 1103 of the
11 Bankruptcy Code “reasonable compensation for actual, necessary services rendered . . . and
12 reimbursement for actual, necessary expenses.”
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14 16. The Retention Order approved Axiom’s fees as provided in the Engagement Letter
15 pursuant to section 328 of the Bankruptcy Code, subject to the terms of the Retention Order.
16 Accordingly, compensation is sought subject to the standard of review set forth in section 328 of
17 the Bankruptcy Code, and not the standard of review set forth in section 330 of the Bankruptcy
18 Code, but subject to the terms of the Retention Order.

19 17. The services summarized by this Fee Application and rendered by Axiom to the
20 Committee were substantial, highly professional and instrumental to the Committee in navigating
21 these chapter 11 cases. Axiom respectfully submits that the compensation and reimbursement
22 requested by this Fee Application is reasonable in light of the nature and value of such services.
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24 **Reservation of Rights and Notice**

25 18. Although every effort has been made to include all fees and expenses incurred in
26 the Fee Period, some fees and expenses might not be included in this Fee Application due to delays
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1 caused by accounting and processing during the Fee Period. Axiom reserves the right to make
2 further application to this Court for allowance of such fees and expenses not included herein.

3 19. Notice of this Application has been or will shortly be provided to the Notice Parties
4 (as defined in the Interim Compensation Order).
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WHEREFORE, Axiom respectfully requests that the Court enter an order: (a) awarding Axiom interim compensation for professional services provided to the Committee during the Fee Period in the amount of \$275,000.00, and reimbursement of actual, reasonable and necessary expenses incurred in the Fee Period in the amount of \$387.91; (b) authorizing and directing the Debtors to remit payment to Axiom for such fees and expenses that have not yet been paid pursuant to the Interim Compensation Order, including the Holdback; and (c) granting such other relief as is appropriate under the circumstances.

Respectfully Submitted,

Dated: March 13, 2020

/s/Cassie Gibson

Cassie Gilson

Partner

Axiom Advisors

*Government Affairs Consultant for the Official
Committee of Unsecured Creditors*